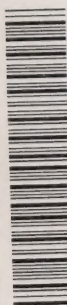


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## New Agenda for Achievement




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# The Budget Speech 2004

The Honourable Ralph Goodale, P.C., M.P.  
Minister of Finance

March 23, 2004





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New Agenda for Achievement

# The Budget Speech 2004



Department of Finance  
Canada

Ministère des Finances  
Canada

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# CHECK AGAINST DELIVERY

## Introduction

Mr. Speaker, let me begin by thanking all those Canadians, from coast to coast to coast, who have helped me prepare this budget. Their optimism and pride in this country, their hopes for its future and their commitment to its values have played a major role in shaping the budget I present today.

During all my consultations, I was struck once again by the good common sense of Canadians—and by their sense of the common good. From Whitehorse to St. John's, I was reminded of values like hard work, straight talk and paying your bills; a sense of responsibility, one to another, of caring and inclusion; and a healthy skepticism that is more impressed by what you do than by what you say.

A few weeks ago, in the Speech from the Throne, this government presented an ambitious agenda for a new decade of Canadian achievement. We offered a view of this country as one brimming with opportunity; a nation recognized around the world both for the strength of its economy and its commitment to social justice; a nation respected, trusted and influential in global affairs.

Today, I am presenting a focused budget plan with two clear objectives: first, to demonstrate unequivocally the principles of financial responsibility and integrity; and second, to begin to give tangible shape to the goals presented in the Speech from the Throne. We are making the initial payments that we can afford to make, now. In future budgets and future years, we will build on the steps being taken today.

Let me make clear what this budget will do—and what it will not do.

Some have suggested that we will throw fiscal caution to the wind. We will not. Some have said that we will engage in a pre-election spending spree. We will not. Some have said that we will play fast and loose with the economic progress Canadians have worked so hard to achieve. We will not.

What we *will* do is make important investments in such key areas as health care, communities and learning, for these are the social foundations upon which Canadians will build better lives.

What we *will* do is give more Canadians the opportunity to succeed, to enlarge their ambitions and to pursue their dreams.

What we *will* do is balance the books and better control spending because Canadians have come too far and sacrificed too much to slide back into the glue of red ink and deficits. Again this year, Mr. Speaker, we present a balanced budget, as we will do next year and the year after that.

What we *will* do is keep our debt burden on a steady downward track to relieve the mortgage that our generation—and previous spending habits—have imposed on the future of our children.

And we will strengthen financial management and operational integrity within government because Canadians deserve the utmost in accountability, transparency and value for their hard-earned tax dollars. That is why we are announcing today a comprehensive plan, under the leadership of the President of the Treasury Board, for a modern expenditure management and oversight system aimed at preventing the kinds of financial abuses that have so understandably angered Canadians. As a government, we not only accept our responsibility for what went wrong, we also accept our responsibility to get it right.

First, we will re-establish the Office of the Comptroller General of Canada to rigorously oversee all government spending.

Second, we will appoint professionally accredited comptrollers to sign off on all new spending initiatives in every government department.

Third, we will reorganize and bolster the internal audit function on a government-wide basis to ensure comprehensive audit programs, based on sound risk analyses of all departmental activities, with the authority to delve into every corner of every portfolio, no matter how small or seemingly “special.”

Fourth, we will introduce modern, real-time information systems to track all spending and provide appropriate tools for effective scrutiny and decision making. This will include the public disclosure of the contracts entered into by the Government of Canada, with only very limited exceptions such as national security.

Fifth, we will introduce new corporate governance rules for Crown corporations and require their five-year special audits, conducted by the Auditor General, to be tabled with Parliament and posted on their Web sites.

Taken together, these measures will enhance transparency, improve administration and help ensure that taxpayers’ dollars are wisely spent. Management with integrity. Canadians deserve no less.

Mr. Speaker, these are important steps but we also need more. Quite apart from issues of integrity and ethics, government needs the courage and foresight to renovate and reshape its current spending patterns to better achieve both immediate and future priorities.



Within our first month in office, we began to tackle the task of identifying the \$1 billion in ongoing savings across government which the previous budget had promised and booked. With this budget, we have finished that job through such decisions as cancelling the political history museum, foregoing VIA Rail's capital expansion, terminating the Sponsorship Program and the National Unity Reserve, reducing advertising programs, and trimming departmental budgets across the board, effective April 1, 2004.

Going forward, we need to re-examine and refocus more of our spending. For this purpose, we have created a Cabinet Committee on Expenditure Review, which is examining every dimension of government spending. The committee is setting stringent standards that every department will have to meet, and asking tough questions that every department will have to answer. The expenditure review process will be rigorous, testing for relevance and for excellence.

And I immediately want to answer the question, why? It is not about cutting. It is all about finding the money to do something new—to implement our multi-year agenda for a new decade of achievement. Revisiting what we do and how we do it should not be a one-time thing, sporadic or piecemeal. It should be an ongoing exercise to renew and rejuvenate government. And that must include investing in high-quality government management—attaching as much of a premium to strong management as we do to policy development.

Within a period of four years, we expect to identify at least \$3 billion for new investments in the ever-evolving priorities of Canadians—in health care, learning and innovation, communities, Aboriginals, people with disabilities. And let me make one final point: we will not commit to these reinvestments unless and until we have found the money to pay for them.

## **Prudence With a Purpose**

Mr. Speaker, responsible fiscal policy—including setting aside funds to address unforeseen circumstances—has been the cornerstone underpinning Canada's strong and resilient economic performance in recent years.

Last year this policy was needed more than ever as Canadians faced some hard and unexpected circumstances. From the bovine spongiform encephalopathy (BSE) crisis to the severe acute respiratory syndrome (SARS) outbreak, from a huge power blackout in Ontario to Hurricane Juan across Atlantic Canada and massive forest fires in British Columbia, 2003 brought

its full share of adversity. This extraordinary combination of extreme events had a significant impact on the well-being of all Canadians. Economic growth in 2003 was 1.7 per cent—about half of what private sector economists had originally predicted.

But because of the strong economic fundamentals which Canadians have worked so hard to secure, Canada had the capacity to weather the storm and emerge from 2003 in better shape than most expected. Indeed, it is in the rough patches that the purpose of setting aside money for contingencies really comes to the fore. That is what enabled us to address some of the extraordinary burdens imposed by SARS and BSE, including \$1 billion in direct assistance to agricultural producers to help offset the severe hardships caused by recent disease outbreaks and sudden drops in farm incomes.

That is why a Contingency Reserve is so valuable and necessary. At the end of this current fiscal year, we expect that reserve to stand at \$1.9 billion. I am pleased to report that for 2004–05 and 2005–06, our Contingency Reserve will be \$3 billion. If not needed to cover unforeseen circumstances, such as those encountered this past year, the \$3 billion will be used each and every year to reduce our debt. And, beyond the Contingency Reserve, this budget also sets aside a further \$1 billion in economic prudence, with increasing amounts in outer years. If that extra prudence is not needed in any given year, it will be used to fund the priorities of Canadians.

Mr. Speaker, on the matter of debt, Canadians instinctively know that paying it down is the right thing to do—for themselves and for their government. And we have done that, paying down more than \$52 billion of debt to date, resulting in interest savings of about \$3 billion each and every year—money that is now being invested in priority areas such as health care and learning. Over the same period our debt-to-GDP (gross domestic product) ratio—the size of our debt relative to the size of our economy—has also been coming down. In fact, from its peak of 68 per cent in 1995–96, it fell to just over 42 per cent in 2003–04.

Now I know that bringing down the debt-to-GDP ratio sounds like something only a finance minister or a lonely economist could get excited about. But the simple fact of the matter is, everyone benefits. That's because a declining ratio means a stronger financial position overall, and a stronger financial position is what helps to keep interest rates low, so people can buy that first home, start a business, upgrade some farm equipment or otherwise invest for tomorrow.



And as we look just a bit down the road, we know that an aging population will soon have at least two profound effects on our society: there will be fewer people working, and therefore fewer contributing to the social programs we so value and, at the same time, there will be greater demand for those same programs, particularly health care. By prudently managing our finances today, we make sure we have the resources we will need to better satisfy these growing demands. So I am proposing that Canada set a reasonable goal of lowering its federal debt-to-GDP ratio to 25 per cent within 10 years.

It was with that kind of foresight that we restored the foundations of our public pension system, so Canadians can be confident that it will be there for them when they need it. The Canada Pension Plan is now actuarially sound for at least the next half century—one of the very few public pensions in the world to be so secure.

## **Economic and Fiscal Forecast**

Mr. Speaker, in establishing the Government's economic projections for the coming years, we have again consulted with leading private sector economists and forecasters—a process which the International Monetary Fund has recently held up as an example for others to follow. This year we also made a special effort to include more regional points of view from the West and Atlantic Canada.

Based on those consultations, the average private sector forecast for real growth in 2004 is 2.7 per cent and 3.3 per cent for 2005. While much-improved over last year, this increased growth will still not be sufficient to make up the significant economic ground lost in 2003. Indeed, the effects of last year will be felt for some time and constrain our fiscal projections going forward.

Nevertheless, Canada will record its seventh consecutive balanced budget—something that has not been achieved since Confederation. This strong commitment to balanced budgets increasingly distinguishes Canada from every other Group of Seven (G-7) country. When faced with the global uncertainty of recent years, those other nations have all moved back into substantial deficits and rising debt—every single one of them. I am proud that Canada—and Canada alone—has held the line. We have stopped pushing our current financial burdens onto future generations.

## The Road Ahead

Mr. Speaker, let me turn now to the specific steps we are taking to advance the social, economic and international agenda we set out in the Speech from the Throne.

The number one priority of Canadians is health care. No other priority speaks so directly to the decisions we have made as a country about how we will live as a society. No other priority speaks so eloquently to the commitments we have made to one another as citizens.

In our last budget support for health care was increased by \$34.8 billion over five years. In addition, as confirmed by the Prime Minister just a few weeks ago, an additional \$2 billion will flow to provinces and territories. Over the five-year framework covered by the 2003 First Ministers' Accord on Health Care Renewal, total federal cash transfers in support of health and other social programs will increase by an average of 8 per cent per year—significantly faster than the rate of growth in the economy overall. This is substantial funding. It is predictable funding. However, more work needs to be done.

The real challenge is putting Canada's health system on a truly sustainable footing. Indeed, when I met with my provincial and territorial colleagues in February, every single one of them reflected the consensus that I had heard during all of my pre-budget consultations—sustainability must be our focus. But what does that mean?

Money is part of it for sure, but so too is reform—making the necessary changes so our health care system will be there for Canadians when they need it. We need to focus on results—on measuring better and managing smarter to reduce waiting times and ensure the highest quality of care. And we must focus on governments working better together, not through duelling advertising campaigns. Canadians have had enough of the blame game. They want to see politicians fighting for medicare, not fighting over medicare.

To that end, my colleague, the Minister of Health, and I will be meeting with our provincial and territorial counterparts to develop a shared understanding of the issues related to sustainability, and to prepare the ground for another First Ministers' Meeting this summer to discuss the changes necessary and to make decisions for the future.

In the meantime, Mr. Speaker, events such as the SARS outbreak and the spread of the avian flu have reminded all of us that we now live in a more vulnerable world, where disease can be spread from one end of the globe to the other in just a matter of hours. As a result, we face new challenges to our public health systems, requiring new approaches and new responses.



With this budget, we begin to provide the resources for a new Canada Public Health Agency, to be able to spot outbreaks earlier and mobilize emergency resources to control them sooner. As a first step, we will transfer close to \$400 million from Health Canada's current budget to establish the nucleus of this new agency.

Second, we will provide an additional \$165 million over the next two years to invest in surge capacity, laboratories, surveillance systems and the kind of research that will lead to new vaccines and new treatments.

Third, we will provide the provinces with \$400 million to enhance their immunization programs and help relieve stresses on local public health systems.

And fourth, we will provide \$100 million to Canada Health Infoway—the health information highway—to develop a national real-time public surveillance system.

In total, this budget directs more than \$1 billion to public health initiatives. Once the agency and its new CEO have developed a long-term strategic plan, we will be in a position to make further investments to ensure that Canadians receive the national public health agency they deserve.

## Learning

Mr. Speaker, to be successful, a 21st century economy must be powered by ideas, imagination and innovation. Knowledge is the road both to economic progress and individual opportunity, and education is the bridge to take us there. Education can enable people to overcome differences in birth or background.

Back in my hometown of Wilcox, Saskatchewan, in the depths of the Depression a unique character named Père Athol Murray founded a remarkable prairie school known as Notre Dame. Père was tough as nails but he had a simple faith: that everyone should have the chance to go as far as their ability and hard work would take them; that an education could open doors, expand opportunities and change lives. That was certainly true in the Depression years and it is even more true today.

That is why, in previous budgets, we improved assistance to students, created the Canada Study Grants, supported lifelong learning, enhanced the education tax credit, and added the Canada Education Savings Grant (CESG) to registered education savings plans (RESPs). These measures were rooted in the fundamental belief that every Canadian who wants to learn should have the opportunity to do so.



And today we go further. I am announcing a broad package of measures aimed at promoting learning at every stage of life. We will advance these measures in consultation and cooperation with our provincial partners.

We begin in early childhood, because it is here that the foundation for future achievement is set. This budget will commit additional resources to the Multilateral Framework on Early Learning and Child Care so more children will be better prepared to learn at school and succeed in life. We will also provide increased resources to Understanding the Early Years, a pilot program which helps identify children whose readiness to learn is at risk. This program will be extended to 100 more communities.

When it comes to putting money aside for their children's education, Canadians know how hard it is to save—but how important it is to start. This challenge is particularly acute for low-income families who struggle just to make ends meet. To help these families, the Government currently provides significant support through the Canada Child Tax Benefit, in particular the National Child Benefit supplement. All in all, the annual federal investment in Canadian children and youth through the Canada Child Tax Benefit is on its way to \$10 billion, making it one of the nation's most important social programs after medicare.

Still, too many Canadians, especially from low- and middle-income families, see a post-secondary education as an unattainable goal—not because the challenge is too great but because the cost is too high. To further assist these families to save for their children's education, I am announcing three important new measures.

First, beginning this year, we will introduce a learning bond in the amount of \$500, which will be available to every child born after 2003 to families earning less than \$35,000. Each year thereafter, for 15 years, the Government of Canada will contribute an additional \$100. This will provide up to \$2,000 for post-secondary education. Even with no additional contributions by parents or others, these funds could grow to nearly \$3,000 by the time the child turns 18, providing a foundation for higher education and a better future. The learning bond will benefit more than 120,000 newborn children this year alone.

Second, for families earning less than \$35,000, we will double the Canada Education Savings Grant on RESPs—from 20 per cent to 40 per cent on the first \$500 of contributions each year. This means that for every five dollars that a low-income family contributes to an RESP, the Government of Canada will add two dollars. As a result, families receiving the learning bond and contributing as little as five dollars a week to an RESP could have close to \$12,000 by the time their child is ready for post-secondary education.

Third, we will provide some 20,000 students from low-income families with new grants worth up to \$3,000 to cover a portion of their first year of tuition.

To further expand access, I am also announcing the following additional measures.

For families earning between \$35,000 and \$70,000, the CESG will increase from 20 to 30 per cent on the first \$500 of contributions per year. This could benefit more than 2 million children in middle-income families.

Mr. Speaker, each year the Canada Student Loans Program provides financial support for almost half of all full-time students in post-secondary education. Students across Canada have told us that the program needs to be updated to reflect the changing realities of changing times. We agree. We will improve the Canada Student Loans Program to better reflect the true cost of post-secondary education. Specifically, we will increase the weekly loan ceiling from \$165 to \$210. Eligible expenses will be modernized to include computers as a new essential. We will ensure that more students will qualify for Canada Student Loans by reducing the parental contribution expected from middle-income families. And for those in hardship, we will increase the maximum amount of debt reduction from \$20,000 to \$26,000.

Mr. Speaker, in Budget 2003 the Government proposed to address certain concerns raised by people living with disabilities. They have asked that the Government take action on expenses connected to employment or education such as talking textbooks or sign language interpreters. This budget will allow such expenses to be deducted. In addition, to better reflect the costs incurred by caregivers, we will enhance the tax credit for medical and disability-related expenses.

To ensure that the benefits of a growing economy are shared fairly, we must be a nation that provides its citizens with the opportunity to improve their skills over the full course of their lives. The demand for new knowledge spans all occupations, at all levels, in all sectors.

At the present time the education tax credit, which helps students with non-tuition costs such as books and supplies, is not available to employees taking courses actually related to their employment. This serves to discourage the upgrading of skills within the workforce and limits opportunities for advancement. We will end that restriction and make the credit available to every Canadian worker pursuing career-related studies.

These initiatives, among others in this budget, will help to improve access to all forms of higher education and promote a culture of learning throughout life.

## Knowledge and Commercialization

Mr. Speaker, over the past seven years we have dramatically increased federal support for research, especially at universities, colleges and research hospitals, by some \$9 billion. This has been a crucial part of developing a modern, dynamic economy capable of generating innovation essential to future success. The results of this investment are already showing up in international rankings. Canada has risen from 13th place to 4th in the Organisation for Economic Co-operation and Development, and to first in the G-7, in terms of publicly performed research.

Initiatives such as the Canada Foundation for Innovation, Genome Canada, the Canadian Institutes of Health Research, Millennium Scholarships, the Canada Research Chairs and others have helped position Canada at the forefront of a knowledge-based world. Dr. Peter MacKinnon, the Chair of the Association of Universities and Colleges of Canada, has said that this federal focus on knowledge and innovation can “be in the 21st Century what the construction of the transcontinental railway was in the 19th Century. It can be a new National Dream.”

To sustain our momentum, I am announcing today additional measures to strengthen Canada’s research advantage. These include increased funding for Canada’s three granting councils and Genome Canada, plus additional support for the indirect costs associated with university research.

With all of these initiatives, Canada is developing an environment in which ideas flowing from scientific discovery are being generated at an unprecedented rate. Now we must focus on bringing these ideas to market; to realizing their commercial potential. That is what will drive our economy forward, increasing investment and employment.

Financing is the oxygen of entrepreneurship, enabling companies to move from the earliest stages of development to commercial maturity. If Canada is to become an incubator of dynamic new companies, we must do a better job of getting resources into the hands of Canadian entrepreneurs so they can turn great concepts into going concerns.

To expand venture capital, this budget will provide \$270 million in new financing for promising start-up companies. When combined with private sector investments, this is expected to yield a total of \$1 billion in early-stage financing. This money will seed promising new enterprises, with priority given to those involved in the life sciences and biotechnology, information and communications technologies, environmental technologies, medical devices and nanotechnology.



Mr. Speaker, Canada's small and medium-sized businesses remain key engines of Canadian growth, taking risks, seizing opportunities, creating jobs. To encourage their further growth and development, this budget takes action on a number of fronts.

We will lower the costs of using the government electronic tendering system for federal government procurement, making it more affordable, accessible and competitive for more small businesses.

On taxes, small businesses benefit from a lower tax rate on income up to \$250,000. Last year we committed to increasing the amount of income eligible for this lower rate to \$300,000 by 2006. Today we will advance that to 2005.

And on innovation, Canadian businesses have embraced the essential formula for success in a knowledge economy—ingenuity plus technology equals productivity. To encourage more companies to adopt new technology more quickly, this budget increases depreciation rates for computers and other Internet and broadband technology to better reflect their useful life. This will benefit entrepreneurs and innovators in every sector, increasing productivity and creating 21st century jobs.

Canada's auto industry is hugely important to our economy. In conjunction with industry, labour and members of Parliament, this government will prepare a new National Strategic Framework for the Canadian auto sector in the 21st century. The strategy will undoubtedly include a strong emphasis on research and development. The new funding set aside in this budget to invest in advanced science and technology will help support innovative work on the next generation of smart, fuel-efficient and hybrid vehicles and renewable fuels.

## **Communities**

Mr. Speaker, living within our means, getting better value for every tax dollar, strengthening health care and expanding opportunities for learning are all crucial steps toward a decade of achievement.

But we also know that Canadians do not live in markets nor raise their children in economies; they do so in neighbourhoods, in communities. It is here that public policy meets private lives. It is here that the decisions we make affect the lives Canadians lead. Communities are the front lines for social issues and the engines for economic growth, attracting talent from around the world and forming the foundation for dynamic high tech clusters.

We need to ensure that Canada's communities provide a quality of life second to none. That is why the Prime Minister made a commitment to a New Deal for communities. For this government, the need for a New Deal is clear, the benefits compelling and the time is now.

Clearly, the Government of Canada is prepared to play its role and contribute its share. But a New Deal is not just about federal transfers of fiscal resources. It's about a transformative new partnership, involving all levels of government—federal, provincial and municipal. It's about doing things differently and doing things better.

We will table legislation to implement the commitment made in the Speech from the Throne to provide full relief from the goods and services tax to all municipalities. This puts \$7 billion into the hands of communities over the next 10 years—starting with \$580 million in 2004–05 and \$605 million in 2005–06. This is real money for improved roads, better transit, clean water and expanded local services.

In addition, this government remains committed to working with the provinces to share with municipalities a portion of gas tax revenues or to determine other fiscal mechanisms which achieve the same goals.

On another front, we have committed some \$12 billion over the past number of years to help address a broad range of community infrastructure needs, and some of that funding is still outstanding. Today's budget will accelerate the \$1 billion committed last year to municipal and rural infrastructure so the money flows over 5 years rather than 10. This will allow many smaller communities to meet pressing needs and to commence priority projects sooner.

We will also push forward with our \$1-billion fund for affordable housing. Only about half of it is invested to date, and we want to put it all to work quickly—even while we plan with our partners for the next tranche of housing investment.

Mr. Speaker, every day, in towns and cities across Canada, there are millions of people who make our country stronger, our lives richer and our future brighter by giving back to their communities. One way they do it is through the "social economy." Social economy enterprises are organizations that run like businesses, producing goods and services, but which manage their operations on a not-for-profit basis. Instead, they direct any surpluses to the pursuit of social and community goals. The social economy is too often overlooked and under-appreciated.

This government will take steps to encourage the development of the social economy, support its aims, expand its efforts. Specifically, we will provide these organizations with access to our small business programs and provide new funding to strengthen support in three priority areas: capacity building, financing and research. Armed with these new tools, those involved in the social economy will be able to extend their work, touching lives and building communities.

And speaking of touching lives, we will also begin to reshape a New Horizons Program for Canadian seniors. And we will find creative means to bolster the usefulness and reach of Community Futures organizations and other instruments of regional development and diversification.

Mr. Speaker, a significant percentage of Aboriginal people live off reserve, often in urban centres, where they face unique challenges and pressures. Through the Urban Aboriginal Strategy, this government is working with communities across the country to find solutions to these challenges. Today I am announcing that we will double the funding for this initiative and extend it from three years to four, so that more communities can participate in meeting the needs and addressing the priorities of Aboriginal people.

This budget also will provide support for the establishment of an Independent Centre for First Nations Government, which will lead the way in advancing self-government by building capacity within Aboriginal communities.

Canada's Aboriginal population is young—50 per cent are under the age of 25. To ensure that this generation receives every opportunity to acquire the skills and knowledge necessary for success, we are renewing funding for the Aboriginal Human Resources Development Strategy.

Mr. Speaker, few things have a greater impact on the quality of life in our communities than the quality of our environment. This generation has both the responsibility and the opportunity to leave this land better than we found it, and that means cleaning up polluted sites. This cleanup will have long-term benefits, leaving a healthier environment for our children and our children's children. But it will also have immediate benefits, providing employment and training opportunities, especially for Aboriginals in the North. Cleaning up contaminated sites will reduce threats to vulnerable ecosystems, spur economic development, enhance quality of life and rejuvenate communities right across the country.

This budget commits \$3.5 billion over 10 years to accelerate the cleanup of sites for which the Government of Canada is responsible—the largest single environmental investment ever made by this—or any—government and one which will quite literally change the face of many communities.



In addition, we will provide \$500 million over 10 years to do our part in the remediation of certain other sites. As a priority, we will focus on the tar ponds in Sydney, Nova Scotia.

There is no doubt that environmental stewardship means addressing the legacies of the past. But environmental technologies also create exciting opportunities for our future. Mr. Speaker, the Government will sell its stake in Petro-Canada. And a portion of the proceeds from the sale will be used to invest in new environmental technologies. We will take immediate action by increasing the funding for Sustainable Development Technology Canada by \$200 million and expanding its mandate so that it can address issues of clean water and soil. All told, the Government will invest at least \$1 billion in environmental technologies over the next seven years.

## International

Mr. Speaker, in the Speech from the Throne, this government announced a comprehensive, integrated review of our international policies. But our commitments cannot be put on hold. We need to continue our work.

More than ever, Canadians are thinking, living and acting internationally.

Canada has committed to double our international assistance budget by 2010–11. Today we are taking an important step toward this goal by increasing this assistance by \$248 million for 2005–06. We have made a commitment to the world's poorest, and we will honour it.

Quite often the face of Canada around the world is that of the brave men and women of our armed forces. They shoulder the burdens and accept the dangers of service, and our nation's heroes deserve our nation's gratitude. I am pleased to announce today a measure aimed specifically at helping soldiers and their families. For those periods when Canadian soldiers are risking their lives overseas, they will no longer pay income tax here at home.

And Mr. Speaker, we must ensure that our military has the resources it needs to carry out its current duties. This budget provides \$300 million for ongoing operations in Afghanistan and for Canadian participation in a United Nations' multinational force in Haiti.

It also confirms that we will proceed with the purchase of new equipment and, in the case of search and rescue airplanes, we will accelerate their acquisition so that the Canadian Forces can take delivery years ahead of schedule.

Mr. Speaker, 60 years ago, on June 6, 1944, the Third Canadian Division landed on Juno Beach and, with their courage, helped to free a continent and defeat a tyrant. Many died fighting for a peace they would not see and a future they would not know. To preserve the memory and to tell the story of what Canadians did that day, this budget provides a \$1.5-million contribution to the Juno Beach Centre at Courseulles-sur-Mer in Normandy.

## **A Decade of Achievement**

Just as that earlier generation of Canadians met the challenges of their day, so must we meet the challenges of ours. The time has come to launch a new decade of achievement. That means strengthening the social foundations upon which Canadians rely and individual initiative can build. It means building a truly 21st century economy, where there is opportunity for all. And it means restoring Canada's place of pride and influence in the world.

A nation as blessed as ours should always aim higher and reach further. We should have a health care system where people indeed get the care they need, when they need it. Well over half of our population should have a post-secondary education. Our communities should be Canada's signatures to the world—attractive, inclusive, productive, secure. We should have a society in which people with disabilities and the disadvantaged have as great an opportunity to fulfill their potential as anyone else. We should have a society in which Aboriginal people take their rightful place, with pride. These goals are within our grasp. A nation as great as ours should reach them. And in this budget we are striving to do so.

## **Conclusion**

Mr. Speaker, throughout our history, Canadians have been animated by a simple idea: that we have a responsibility to make sure our children and grandchildren lead even better lives in an even better land; that Canada is not simply a legacy to be inherited, it is an opportunity to be enlarged. And so it remains today.

This budget honours that responsibility by laying the foundation for a better future. And it does so not by trying to be all things to all people, but by trying to put people at the heart of all we do. That is the path we choose. That is the journey we begin today.













